



# HOUSING AFFORDABILITY LISTENING SESSIONS



# EXECUTIVE SUMMARY

Over a period of two months, the Virginia Department of Housing and Community Development (DHCD) staff facilitated seven housing affordability listening sessions. Each session included representatives from the following areas of housing: private builders and developers, nonprofit housing organizations and providers, housing advocates and local government representatives, including planning district commissions, legislators, and others.

The sessions focused on discussions related to producing and preserving housing. The objective was not only to identify challenges those in the field are encountering but to discuss solutions to these barriers. While each regional session had its own unique discussion and priorities, common themes emerged throughout. Nearly all of the sessions touched on the four priority areas below and many of the regions considered them to be among the most important issues to address in order to preserve and produce housing in Virginia.

- **ZONING/LAND USE/AVAILABILITY OF LAND**
- **REGULATORY CONCERNS**
- **WORKFORCE/LABOR**
- **DEFINING AFFORDABILITY**

Within each of these priority areas, listening session participants were asked to provide solutions and to the extent possible, specific action items to achieve the solution.

## **PRIORITY AREA: ZONING/LAND USE/AVAILABILITY OF LAND**

In nearly every session, participants indicated zoning (and rezoning), land use and the availability of land were significant challenges to constructing new housing.

*Solution:* Marketing and Education to address citizen concerns on proposed housing developments.

*Action Items:* Develop marketing video/materials of example case-studies.

*Solution:* Streamlined Approvals

*Action Items:* Consider administrative approvals where appropriate.

## **PRIORITY AREA: REGULATORY CONCERNS**

Housing developers at nearly every listening session cited regulatory concerns as an impediment to developing and preserving housing. These concerns ranged from general concerns with regulation to more specific concerns with permit review times, stormwater regulation, local government regulation, and in some cases, specific programmatic requirements associated with housing grant and loan programs.

*Solution:* Streamline and standardize DEQ processes

*Solution:* Consider changes to class B and C contractor limits.

*Solution:* Streamline and standardize local approval timelines.

*Solution:* Align state funding programs and revisit program guidelines.

*Action Items:* Examples may include examining CDGB flexibility, aligning Virginia Housing Trust Fund and LIHTC requirements and assessing Virginia Housing PDC grants



# EXECUTIVE SUMMARY

## **PRIORITY AREA: WORKFORCE/LABOR**

Across the state, listening session participants repeatedly indicated that the ability to hire properly trained workers in all building related industries was an impediment to their ability to build and preserve housing. Further, a common refrain among the sessions was that current training and education programs for the trades were not adequate and/or lacked the visibility needed to fill the labor gaps in housing production and related industries.

*Solution:* Market and incentivize trade schools and include public education in this discussion.

*Action Items:* Best practice example of “signing day” for graduates hired out of high school programs.

*Solution:* Increased funding for trade schools

*Solution:* Combine business classes with trade schools/certifications

## **PRIORITY AREA: DEFINING AFFORDABILITY**

The question, “what is affordability,” was asked in one way or another at every listening session. It was noted that different programs and agencies define this word and concept differently. The result of not having a common definition is that it causes confusion among the public and can citizen concerns with nearly any type of housing being preserved or produced.

*Solution:* Define affordability regionally and locally

*Solution:* Consider naming alternatives for affordable housing

*Action Items:* Reframe as “housing affordability”; educate stakeholders and elected officials on impacts of not filling the gaps

*Solution:* Awareness marketing campaign regarding housing affordability

*Action Items:* Quantify impacts to localities of inadequate affordable housing supply (health care, homelessness, etc.)

## **OTHER CONSIDERATIONS**

In addition to the priority areas already outlined, the listening sessions had a few additional key items surface through the course of discussion. While these items may have been addressed differently or not discussed at all in some regions, they are worth noting in this summary.

## **RESOURCES FOR DEVELOPING/MAINTAINING AFFORDABLE HOUSING**

*Solution:* Maintain and/or increase existing state and local resources and incentives.

*Actions Items:* Applies to multifamily development and assistance for homebuyers.

## **NOVEL SOLUTIONS**

*Solution:* “Building ready” housing sites similar to pad-ready sites for business/industry.

*Solution:* Encourage the housing community to become engaged in local government (committees, citizen academics, etc.)



# TIDEWATER REGION

JUNE 28, 2022

## HOUSING AFFORDABILITY ATTENDEE PROPOSED RECOMMENDATIONS:

### LAND ENTITLEMENT

#### **Create incentives for municipalities specifically around affordability**

- Create complimentary programs that incentivize to keep affordable housing (in conjunction with Virginia Housing)
- Incentivize land cost write downs/expand or fully fund Virginia Housing Trust Fund
- Incentivize localities to utilize subsidies
- Incentivize ease of approval
- Incentivize developments (parking with surface vs. structural)



#### **Public education on affordable housing to address citizen concerns on proposed housing developments**

#### **Develop local committees with public and private officials to address issues/work through problems**

#### **(involve PDCs to standardize across a region and support rural communities)**

- Make it data driven
- Create standardization playbooks/plan books across a region/multiple localities
- Provide grants and trainings on what is needed exactly from locality/clear expectations

#### **Prioritize developments**

- Residential
- Local identification of where they want housing
- Density/Parking/Additional requirements
- Allow for developer creativity

#### **Get DEQ fully funded and staffed; extends timeline of projects**

#### **Commonwealth statement on market vs. affordable**

#### **Providing full funding and staffing for Army Corp of Engineers**

### PUBLIC/PRIVATE COLLABORATION

#### **Commonwealth to give incentives, have a baseline and set a goal to help localities to build affordable housing**

- State rebate locality for utilization of vouchers

#### **Efficiencies in local process/collaboration with local and developers (i.e. permit process, subdivision ordinance, etc.)**

- What are the different levels of reviews that are needed or required and how can we cut down on review time
- Focus on shared mission and develop strategy together (public-private)/facilitate conversation between developers and localities
- Increase communication between localities and developers

#### **Allowance for what is acceptable for stormwater; data does not support current acceptable level**

- Answer is not 0; create range of acceptable solutions
- Create better approval process

#### **Foster local leadership to make changes and carry it through the process (i.e. leadership training, local champions)**

- Customer Service (change the attitude from opposition vs. what can we do to help and get on same page)
- State role be an educator/trainer/supporter to inform process and assist to create the partnerships
- Better align departments
  - a. Community Development (Chesapeake)
  - b. Planning Development
  - c. Tourism/Parks and Rec
  - d. Economic Development

#### **New cultural shift that housing is economic development**

#### **Comprehensive Plan – recognition of what local government can provide based on scale (city vs. small town)**

#### **Get vocational training back in schools; help population learn trades**

## **SOURCES OF FUNDING**

### ***Grow and invest in LIHTC program***

- Most effective affordable housing tool
- Would not have rental housing without it
- Combine with other sources to increase number of units
- Rename to take away stigma of low-income/Housing Opportunity Tax Credit
- Layering of tax credits to focus on residential piece and older buildings. Data shows 50% decrease in cost to build housing when layering tax credits

### ***HUD funding combined with other sources raises rates therefore raising cost of affordable housing***

- Federal lobbying around Davis Bacon Act

### ***Assist rural communities access USDA funding and other federal resources for housing development and rehabilitation***

### ***Additional Virginia Housing programs with rising interest rates***

- VH doing great job at combining rates
- Increase funding for programs from VH

### ***Study the impact of Fair Housing Sources of Income 2020***

### ***Encourage municipalities to use long-term tax abatement programs for developers to leverage***

- Ideal for entire compliance period (30-year program)
- Property tax burden falling to private developers
- Taxes are being treated just like market rate – focus on affordable housing
- Choice for municipalities to boost real estate taxes
- Model ordinance
- Expand enabling statute for new construction

### ***State providing technical assistance around land banking, land trust, housing trust fund, etc.***

### ***Know target audience for housing***

### ***Providing support and incentives such as broadband providers to lower costs***

## HOUSING AFFORDABILITY REGIONAL CHALLENGES:

- Over regulation of trades/licensing of trades (State level)
- New project process/timeline /cost (Local Level)
- Supply chain issues
- Stormwater Design Standards
- Citizen concerns on proposed housing developments with rezoning
- Interest rate increases
- Issues with land use process
- Timing and cost of construction materials
- Wetland Mitigation Cost and environmental permitting
- Building code regulation (i.e. cost benefit around energy efficiency)
- Availability and cost of land (easy land gone/unique to Tidewater region)
- Support of local officials for affordable housing
- Access to and availability of funding (nonprofit specific)
- Defining affordable housing/Perception of affordable housing
- Financial feasibility with equity
- Limited funding for very-low income (rental assistance programs)
- Lack of comprehensive local strategy
- Meeting the gap in affordability
- Diversity in product options
- Lack of rental units for subsidized housing
- Deteriorating stock of affordable housing
- Need to develop missing middle of housing
- Shortage of skilled labor
- Silos between local government and private industry/need for better communication and collaboration (opposition vs. partners)
- Zoning requirements with different housing components (elevations, landscape, elevators, vary from locality and subjective)
- Additional cost of social supports (providing daycare onsite)/lack of operational funding for wrap-around services
- Broadband accessibility and affordability
- Retention of affordable units
- No regulations for inclusionary zoning
- Real estate tax increases
- Supportive services to work with landlords and tenants
- Lack of public safety officers/legal system targeting crime



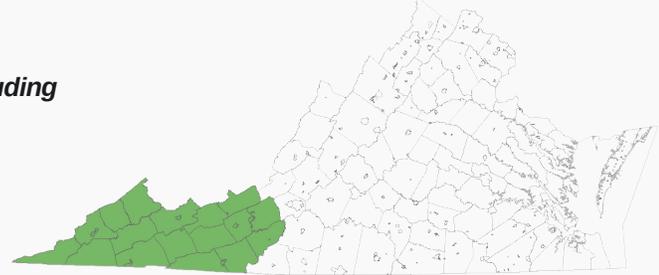
# SOUTHWEST VA REGION

JULY 13, 2022

## HOUSING AFFORDABILITY ATTENDEE PROPOSED RECOMMENDATIONS:

### REGULATORY BURDENS

- Expand stormwater exemptions to denser housing types*
- State pre-emption of specific local regulations stricter than state law including stormwater, vacating lot lines*
- Statute change to address proffers and related comprehensive plan requirements and zoning density*



### RISE IN COSTS AND RENTS

- Supplement upfront costs to make projects feasible*
- Revisit Virginia Housing PDC grants as subsidy instead of pass through*
- Regionally tailored grants*

### LABOR SHORTAGE

- Create funding for trades programs as tuition reimbursement not available to private training programs*
- Advocate and advertise benefits and wages of trades professions*
- Advocate and create youth trades programs*
- Amend requirements for teachers of trades programs in public schools*
- State-level marketing program in public schools to address stigma of trades*
- Incentivize new trades business*
- Incentivize existing employers to do training*
- Incentivize/support local ecosystems*

### FINANCING GAP

- Additional preconstruction funds*
- Protect and increase the housing trust fund and threshold for use*
- Increase existing and/or new funds*

## HOUSING AFFORDABILITY REGIONAL CHALLENGES:

- Price and/or rental rate for affordable housing increasing
- Housing not available for workforce
- Inflation impacting costs and rents
- Regulatory burden and time of initiating a project
- Required development standards (i.e. sidewalks, driveways) in rural developments and jurisdictional differences
- Existing zoning, including density and time
- Time of rezoning process
- Required development and building standards under a rezoning process
- Overreaching building codes
- Current and upcoming DEQ regulations
- Lack of labor
- Aging labor and talent and trades training programs
- Lack of inventory and market supply
- Difficulty of new construction projects in SWVA, including financing gap, widened by federal area median income limits
- Scarcity of suppliers
- Affordability and supply of transitional housing
- Availability of project based vouchers through public housing authorities
- Availability of upfront capital for small developers
- Costs associated with utility extension passed on to residents
- Public perception and understanding of affordability
- Costs associated with developing to a certain standard to be competitive for funding
- Time and ambiguity of transportation permitting
- Karst topography; stormwater requirements, particular impact to SWVA



# LYNCHBURG/ROANOKE/SHENANDOAH REGION

JULY 14, 2022

## HOUSING AFFORDABILITY ATTENDEE PROPOSED RECOMMENDATIONS:

### COMMUNICATION AND COLLABORATION BETWEEN PARTIES (CAPACITY/PROCESSES/REGULATIONS)

***Hold more listening sessions for elected officials to increase understanding and provide solutions***

***Get specific to get to solutions***

- Regional Housing Networks and replicate successful models
- Utilize the Roanoke Regional Housing Network

***Get involved at the local level***

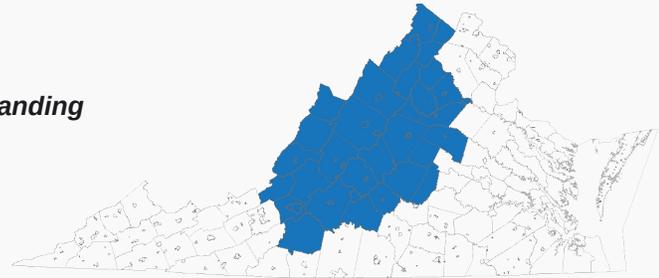
- Get plugged in with elected officials to be designated for appointments
- Get in front of decision makers (one-on-one)/both elected officials and staff

***Communications between the state and local officials on the requirements of regulations***

- Streamline codes/do collaborative problem solving (building/zoning/stormwater)

***Working through multiple departments for one project; create a point person for the locality to help work through the processes and move projects through quickly***

- Urgency is top priority
- Lack capacity
- Locality to understand it is beneficial for both parties
- Create performance metrics/timeline for accountability
- Set expectations clearly communicated from locality at the beginning
- Create unified terminology
- Create standing meetings to create relationships and better inform both parties of process
- Albemarle County as an example



### LABOR SHORTAGE

***Education and communication to connect laborers with the contractors/developers***

***Work with high school and community colleges to create certificate program***

- Need a marketing program about income for these types of education programs – could this be statewide or regional?
- Need business management courses added to trade schools; need it in addition to the skills training
- Connect resources to pay for certificate programs (market these resources)/market no debt vs. college
- Need to start earlier in education to put them on a career tract for certificate and apprenticeship programs – start in middle school and allow graduating students to have more years of apprenticeship
- Educate school board members/grassroots
- Campbell County did a signing day for students going into trades; hold up what they are doing and starting salaries
- Cost of the mistakes if not properly trained
- Positive has been increase in salaries for current workforce

***Workforce Board and Workforce Council need to be part of this conversation***

- Educate on the needs of the industry

***Succession planning for skilled workers – look at examples with the agriculture farmers program***

## **DEFINITION OF WHAT IS AFFORDABLE**

***State needs to provide incentives to localities to determine where affordable housing can go and rezone land***

- Upfront funding for the developer
- Personal property tax deductions

***Change of terminology from affordable housing vs. housing affordability***

- Fastest growing population is low-income and very low-income

***Develop PR awareness to elected officials***

- Quantify the impacts to the locality if lack of affordable housing (i.e. strain on public health care, homeless vs. housed, show cost of poverty more than cost of affordable housing)

***Building science technology and how do we welcome them into the current building community***

- Government subsidy to encourage until it becomes profitable

## **INTEREST RATES**

***Grants to underwrite the community benefits for housing being developed***

***Rate buy-downs***

***Stackable down payment assistance***

***Lenders knowing about available resources***

***Builder/developments at-risk of non-completion***

- Create consumer buy-down to offset

## HOUSING AFFORDABILITY REGIONAL CHALLENGES:

- Lack of financing
- Misconceptions about affordable housing/define what affordable housing is
- Labor shortages (skilled and unskilled)
- Lot and land availability
- Constraints of rezoning of land for housing
- Material costs/inflation/supply chain issues
- Regional issues need to be addressed; variation of cost across jurisdictions
- Cost of housing and rent increasing
- Lack of awareness of programs and resources, including language barriers
- Subsidy funding availability to fill the gap
- Local government lacks capacity
- Slow local government processes
- Interest rate increases
- PHA conversion of housing choice vouchers to homeownership vouchers
- Code regulations increase costs of homes
- Affordability of housing after the point of purchase/how to retain homeownership
- Lack of communication and understanding between jurisdictions/builders/lenders/policy makers



# NORTHERN VA REGION

JULY 25, 2022

## HOUSING AFFORDABILITY ATTENDEE PROPOSED RECOMMENDATIONS:

### LAND (ZONING/AVAILABILITY/COST)

**State incentives for density to cover infrastructure costs**

**Increase subsidies for high-cost land**

**Allow localities to have real estate tax abatements for affordable housing**

**Provide list of state-owned surplus land to develop for housing**

- Allow for mixed-use on publicly held land

**Support localities in development of land banks**

- State resource that assist localities/regions to create land banks

**State incentive for building on public school lands (Pilot Program like Prince William County)**

**Accelerate green-taping for focused affordable housing**

- Close to metro
- Church housing
- Targeted focus between state and localities
- State involvement to work to address citizen concerns on proposed housing developments

**Land preservation through strategic work with existing mobile home sites (knowing what we have/statewide inventory list)**

**Land improvements incentives through taxes (differential tax rate for Fairfax and Chesterfield counties – expand to other localities)**

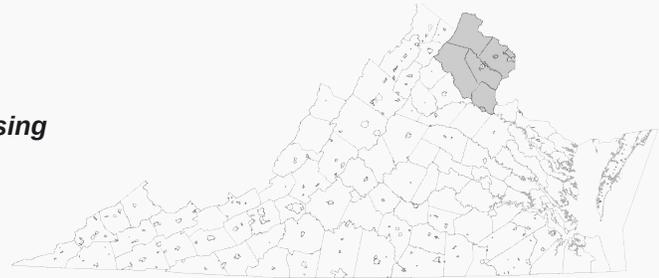
**Streamline interagency processes (VDOT, DEQ, DCR, Historic Preservation, Virginia Housing) – need a state focus convening task force or discussion between agencies)**

**Put pressure on utility providers to fix red tape in processes (costly)**

- VAPCO and separate contract with Dominion to have joint process to bring issues directly to organization
- State to convene task force for builders/developers/nonprofits

**Restructure tax incentives for developers if commit to affordable housing**

**Enforce state rules on localities to meet timelines**



### PROCESSES AND REGULATIONS

**Align processes better between VHTF and LIHTC**

- Single application process for state funding sources for affordable housing
- Evaluate Virginia Housing Trust Fund and provide valuation of projects in high-cost areas to provide funding variation
- Office of Intermodal Planning add housing affordability to the list of items to review

**Provide transparency of Virginia Housing LIHTC scoring and rules is best practice**

**Feasibility study around best practices available for local jurisdictions for housing (affordable and other types of housing)**

- Small area land-use plans to have county/city coming together to one strategy for an area
- Incentive and track localities to follow best practices
- Utilize access to state funding streams as incentive if project completed in set time frame

**Increase LIHTC availability and level of funding**

**Create interagency task force to pool affordable housing state resources**

**Identify funding resources for buy down to 30-40%**

- Study shows \$200,000 buy-down to go from 60% to 30% for NOVA
- Innovative use of VHTF to buy down (beyond PSH)

**State provide laws/regulations around cumulative times for contract reviews at local level**

**Disconnect between local staff and elected officials on housing strategy**

## **EVICTION/DISPLACEMENT PREVENTION**

### ***Keep pandemic rules***

- Provided better balance between tenants and landlords – need to reinstitute
- Strengthen landlord law at state level
- Strengthen tenant rights

### ***Raise the floor and allow localities to go beyond that***

***Work collaboratively across organizations to provide human services to households***

***Connect landlords with existing programs (i.e. energy efficiency programs at DHCD)***

***Provide resources through local intermediaries***

***State centralized/coordinated systems created efficiencies and streamlined processes (RRP model)***

***Keep convening conversations even if funding is not immediately available***

- Helps state understand where we are with evictions

***Legislation needed for statewide rental subsidy programs***

***Educational marketing push needed with landlords of state resources available***

## HOUSING AFFORDABILITY REGIONAL CHALLENGES:

- Market forces and lack of supply
- Land use and zoning
- Availability and cost of land
- Process/Regulations (entitlement, permit, lack of clarity, etc.)
- Eviction protections/prevention
- Gap resources
- Achieve 30% committed area median income
- High material costs
- Lack of rental subsidies
- Citizen concerns on proposed housing developments
- Duplication of services
- Variability of issues at jurisdictional level
- Missing middle
- Lack of accessibility in low-income housing
- Labor shortage
- Minority ownership to succeeding generations
- Aging units that will roll out of affordable housing supply
- Lack of affordable homeownership
- Lack of opted ADU ordinances
- Size of units (need more family-size units)
- Lack of education in immigrant populations around housing
- Representation and a welcoming community
- Lack of education around fair housing
- High price of construction
- Loss of housing supply to short-term rentals
- Need for more data around rental housing availability (short-term rental)
- Ability for cities to annex
- Lack of statewide lens for advocacy
- Innovation in funding with state resources
- Funding sources that prohibit from renting to non-citizens
- Lack of business stakeholders in housing conversation (11 Fortune 500 in NOVA; military housing)
- Banks lacking approach to affordable housing
- Barriers created by funding source



# CAPITAL REGION

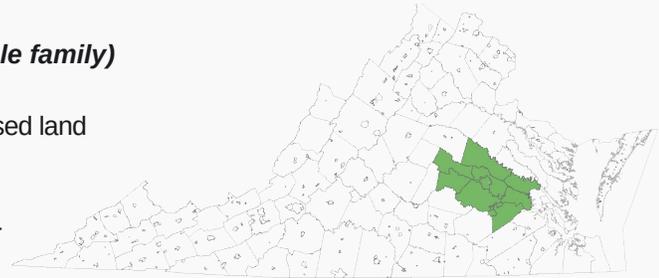
JULY 26, 2022

## HOUSING AFFORDABILITY ATTENDEE PROPOSED RECOMMENDATIONS:

### **ZONING AND REGULATORY BURDENS**

#### ***Decrease the development of a home to one year vs. 30 months (single family) and 36 months (multifamily)***

- High density developments is a long process even after zoned and purchased land
- Bigger localities typically take longer with permitting, rezoning
- Encourage/incentivize localities to increase density with smaller lot sizes
- Break stigma that home size does not equal home quality – requiring larger homes increases cost



#### ***Standardize the approval process (allow for administrative approvals)***

- Address citizen concerns on proposed housing developments by allowing administrative approvals vs. political processes
- Develop timelines for review/hearing of zoning cases

#### ***Develop clear and concise deadlines/timelines for the process (transparent local processes)***

- Local governments need to clearly layout requirements for plans
- Develop deadlines for localities to respond to applications (legislative process)
- Clear metrics
- Lean agile
- Visual management process

#### ***State provide accountability for local governments***

#### ***Local government comprehensive plans lack clarity and substance and address the state's requirement to provide plan***

- Vague, lack of clear direction
- Updated every year
- State provide guidance to ensure equity, clarity, substance
- Prescriptive language from state
- Richmond 300 plan is a good example
- Review guidance of what is in the plan (small localities do not have resources to complete effectively)
- Incentivize or support through resources for localities to implement what is in the plan

#### ***State update policy around wetland credits (doubles if moving localities because no credits available)***

- A legislative change allowing for the purchase of mitigation credits from a broader area would increase the supply of credits, reduce price volatility, to make it more financially feasible for mitigation bankers to pursue mitigation projects in areas with low development activity
- Joint effort among private/public stakeholders to work with federal partners to streamline the bank review/approval process

#### ***Address building code regulations that add to the cost of new housing***

- Change from simple majority to 2/3 majority to approve building code changes for Board of Housing and Community Development

#### ***Limit barriers from state (DHCD) funding for nonprofits***

#### ***Localities charging utility tap fees and limit for multifamily vs. single-family housing (same size meter but cost more for multifamily)***

#### ***Increase number of smaller homes (under 1,500 square feet)***

#### ***Increase purchase power for buyers today***

- Closing cost assistance
- Down Payment assistance

#### ***Challenge local governments to ask why for local zoning/regulatory requirements and work with a sense of urgency***

#### ***Local governments become housing neutral***

### ***Eliminate zoning and transition to form-based zoning (streamline)***

- Know from day one what can be built
- Examples of other localities/state that do form based zoning
- Plan process can be streamlined from developers
- Zoning process/timelines are unknown
- Increase costs for developers/builders

### ***Resources for retention and rehabilitation in affordable housing***

#### ***Complexity of funding rules and regulations keep nonprofits from full capacity***

- Invest in bank ability through lines of credit
- Consolidate nonprofits to achieve scale (shared leadership)

#### ***Tax waivers have to come in front of General Assembly two years in a row limiting efficiency and timeframes***

#### ***Deadlines are tied to needing adequate funding***

#### ***Innovation in building and generating housing***

- 3D
- Manufactured housing
- Invest in development of creative housing

#### ***Address environmental impacts that require credits***

- Roads, schools, etc.

#### ***Utilize form-based codes and research examples of localities that use this approach***

- Nashville, TN , Ventura, CA, Cleveland, OH, Boulder, CO, Las Vegas, NV, Lowell, MA Auburn, ME, Chapel Hill, NC

#### ***Legislation by General Assembly to enable the support necessary to empower the regional Planning District Commissions to increase their ability to effectively address housing issues in partnerships with the local governments, nonprofits and community-based organizations within their regions***

- Increase utilization of tools like Virginia Housing's PDC Housing Development Grant Program to address housing on a regional level vs. local

## HOUSING AFFORDABILITY REGIONAL CHALLENGES:

- Affordability in urban vs. rural
- More dense housing in suburban areas
- Lack of access/inventory due to rising cost of housing
- Zoning and regulatory burden
- Cost of building materials
- Closing cost increases
- Supply and availability of first-time homebuyers/workforce housing (missing middle)
- Eviction crisis
- Access to funding (private or public)/inflation cost
- Cost and availability of land
- Labor shortage
- Availability of rental vouchers
- Racial equity and lack of access
- Distribution of affordable housing
- Increased regulatory cost (stormwater and mitigation)
- Aging housing stock
- Preservation of manufactured housing
- Aligning resources, capacity and education to meet the needs of the locality/region
- Redefine/reframe affordable housing (obtainable, sustainable, quality)
- Outlook on Virginia state grant programs for large development projects
- Limited resources/support for current residents to keep in housing
- Land/home transfers to institutional owners (racial equity)
- Acknowledgement of housing development as critical part of economic development
- Lack of innovative financing
- Rising interest rates and how can the state navigate the next steps
- Safe housing (blighted, deteriorating housing)
- Access vs. participation – education of rights and resources
- Vacation rentals as underutilized
- Nexus between education, jobs and housing
- Cash proffers required by localities of developers



# SOUTHSIDE REGION

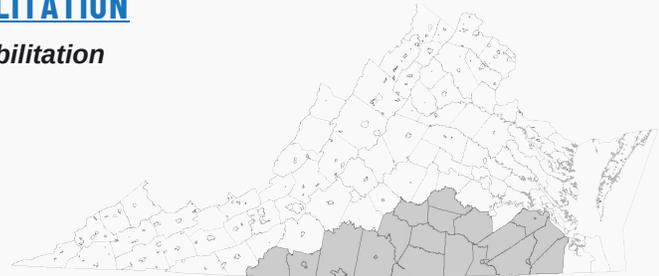
AUGUST 1, 2022

## HOUSING AFFORDABILITY ATTENDEE PROPOSED RECOMMENDATIONS:

### CREATE BUILD-READY HOUSING SITES AND HOUSING REHABILITATION

**Create state-level marketing materials/video of success story of rehabilitation of a neighborhood (also under NIMBYism)**

- Martinsville/Henry County (possible example)
- Common goal, what goal is and outcomes
- Purpose-driven Housing (Atlanta)
- Danville (downtown district industrial warehouses rehabilitation)



#### **Single-family and first-time homebuyers**

**ARS as subsidy vs. loans**

**De-incentivize sitting on land (tax improvements and land at different rates)**

- Current state code allows this for three localities

**State code allows condemnation/auction of derelict structure, which removes liens (no taxes collected)**

- Incentive to cover demolition costs, dump fees and allow locality ability to sell without red tape
- Town and county have to work together
- Does happen with grant projects
- Homeownership resources for rehabilitation of the derelict house (age in place) and update guidelines and regulations for limit use of programs (ex. USDA RD 504, IPR CDBG)
- Flexible scattered-site guidelines

**Incentivize locality to take risk**

**Assistance for regional strategy for land bank/land trust**

**Explore and maximize federal resources available for infrastructure improvements (water, sewer, broadband)**

**Need state support for regional strategy and pilot program (education, transportation, etc.)**

**Region needs mixture of homeownership and rental housing**

**Understand generational changes in the rental vs. homeownership markets (Boomer/Gen X vs. Millennial/Gen Z)**

#### **Multifamily**

**State provide technical support in working with historic tax credit developers**

**Example of Miller Homes in South Boston**

- CDBG funding only allowed for infrastructure vs. brick and mortar (policy change)

### ADDRESSING CITIZEN CONCERNS ON PROPOSED HOUSING DEVELOPMENTS

**Eligible or affordability versus low- to moderate-income households**

**State provide incentives for citizen academies**

**Local strategy on features to meet needs of community and residents**

**Listening session for neighbors to showcase keeping with the neighborhood**

**Community planning to include rules**

- Chesterfield County Manufactured Housing neighborhood – lot-owned, landscaping, architectural feature guidelines, etc.

## **LABOR SHORTAGE**

**Supply business classes in addition to trade certifications**

**Review DPOR licensing/apprenticeship requirements**

**Continuing education component needed due to technological changes to keep knowledge base current**

**Support and incentivize CTE education at high-school level**

**State-level commitment to create metrics for providing trade jobs – regional, number needed, etc.**

**Create trade program to attract economic development**

- Example: Altavista (Virginia Technical Institute – Dale Moore) – plumbers, electrician, welders, HVAC A.
- Connect with federal partner to create federally recognized certification
- Replicate in other regions/localities

**Department of Corrections researching how we can utilize inmates in the public sector/trade industry**

- Develop re-entry program

**Job Corp around housing and bring to rural areas, as well as urban**

- Train workforce and keep locally

**Virginia Western CC Roanoke trade program example**

**Class B limit of \$120,000/Class C limit of \$10,000**

- Increase the amount that a Class B and C can building to
- Look at inflation and benchmark against that
- Tie to CPI moving forward
- Need General Assembly bill

## HOUSING AFFORDABILITY REGIONAL CHALLENGES:

- Create building-ready sites for housing to decrease length of time for development (Develop Housing Parks as you do Industrial Parks)
- Rehabilitation of existing neighborhoods including funding and support for localities
- Lack of existing affordable housing
- Increase costs of rehabilitation is over market value
- Aging infrastructure and redevelopment of urban cities
- ARS as subsidy vs. loan
- Overinflation of property value
- Local regulations make time frame from greenfield to buildable lots too lengthy
- Need for federal/state funding to create ready sites
- Overcoming public perception of affordable housing
- "Close the door behind me" mentality
- Smart development can contribute and not take away
- Educating and changing perception of manufactured housing (change how we build houses) |
- Local zoning regulations limit utilization of manufactured/modular housing
- Workforce shortage in trade industries
- Reimagine how we create and educate on trade workforce
- Perception issues
- Aging workforce
- Lack of succession planning for current contractors/trade industries
- Supply business classes in addition to trade certifications
- DPOR review licensing/apprenticeship requirements
- Continuing education component needed due to technological changes to keep knowledge base up
- Impact of environmental regulations and reduction of available land
- Increase cost of construction due to regulations
- Staff capacity and available funding (development and housing counseling)
- Cost of infrastructure and new development of land
- Annexation needs
- Local regulations to allow innovative housing into vacant lots (with water, sewer, etc.)
- Need financial subsidy due to lack of funding
- Cost of materials
- Supply and demand of housing makes affordable housing scarce
- Lack of workforce housing
- Attracting developers to build for missing middle
- Clear definition of what is affordable housing
- Profitability of building affordable housing
- Create an ARS program available to private developers (currently just to local government and nonprofits)
- Credit issues caused by insufficient income and medical bills
- Localities need financial support (i.e. Danville earmarks \$1 million) to develop housing-ready sites



# NORTHERN NECK/EASTERN SHORE REGION

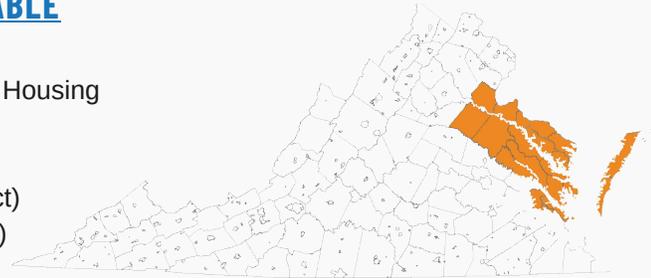
AUGUST 10, 2022

## HOUSING AFFORDABILITY ATTENDEE PROPOSED RECOMMENDATIONS:

### AFFORDABILITY OF WORKFORCE HOUSING/WHAT IS AFFORDABLE

#### ***Need additional state/federal resources (DHCD and Virginia Housing)***

- Need more flexible housing resources like PDC investment by Virginia Housing
- Partner with PDCs for established relationships
- Increase state funding to PDCs
- Layer funding (combining CDBG funding projects to make larger impact)
- Need faster turnaround on funding (Need to know by end of fiscal year)
- Speed up access to funding
- Limitations on funding requirements (arbitrary to age, children in household, etc.)
- State and federal resources are not connected (social services, education, housing/community development)
- State and local outreach/marketing to developers (specifically private sector) that have not accessed state/federal resources
- PDCs may be able to assist in connecting resources with private developers
- Create of upfront resources to incentivize shovel-ready projects
- Learn from flexible use of ARPA funding
- Virginia Housing Trust Fund (more flexibility and possible set aside for rural projects)



#### ***Define affordability at the regional level (state needs to provide guidance based on poverty rate to align to regional demographics)***

- Fiscal stress
- Free or reduced lunch
- Poverty
- Need different layers/funding for “affordability” (Low-income vs. Workforce/Missing middle)

#### ***Lack of representation in the public input process by the population that needs the resources (not able to participate in local processes due to timing)***

- No coordination (local, regional, state, federal) of these targeted populations

### LACK OF INFRASTRUCTURE

#### ***Refocus state Chesapeake Bay mitigation effort***

- Local and regional levels on best solutions
- DEQ ignored local/regional recommendations

#### ***Invest in new technology with onsite septic systems***

#### ***Incentivize expansion of municipal infrastructure***

- Tax credit at state level to waive connection fees
- Rethink CDBG requirement for locality to waive cap fees

#### ***Incentivize pro-development vs. anti-development***

#### ***Localities need more planning on a regional scale – state provide planning funding***

- State incentives based on type of system
- Need state subsidy for system expansion to serve affordable housing projects
- Need educational dialogue between public-private organizations

#### ***Update build-out standards***

- VDOT allows adjustments on standards with real traffic counts

## REAL ESTATE MARKET AND DECLINE OF RENTAL STOCK

### ***Need resources and incentives to acquire, rehab abandoned homes***

- Legislative remedy for publicly funded projects with buildings tied up legal heir issues

### ***ARS' \$45,000 does not move the needle with housing rehabilitation and first deed of trust requirement causes issues***

- Is it more beneficial to build new vs. rehab?

### ***Cost of tear down vs. cost to improve derelict properties***

### ***Public-private partnership with government and private sector – create a hub of resources/partners for housing and community development***

- Keep all components local

## HOUSING AFFORDABILITY REGIONAL CHALLENGES:

- Lack of land/Zoning
- Local zoning issues, especially adaptive reuse issues (turning single-family homes to multifamily)
- Citizen concerns on proposed housing developments and stigma of multifamily housing
- Defining affordability
- Gap between private capital needs, market rate and market wages (Workforce housing included) III
- Homeownership vs. rental and the burden on both
- Demographic changes
- Fair rental value compared to locality needs
- Lack of supply/affordable units
- Cost of construction
- Availability and decline of existing stock
- Decline in trades
- Lack of housing education (homeowners)
- Lack of education for heir properties
- Lack of rentals
- Hot rural real estate market decreased availability
- Investor purchases of available rentals
- Short-term rentals in market
- Need for hotels to support local tourism economy (need housing plus rentals for tourist)
- Lack of housing options for seniors
- Need to incentivize private investors in rural markets
- Chesapeake Bay Total Maximum Daily Load requirements have pull on statewide land resources/issue with Middle Peninsula
- Education/understanding of Virginia Housing programs/LIHTC, including lack of access to all developers and high barrier for entry
- Process issues between locality, engineers, health department, etc. (giant time suck/need a streamline process)
- Lack of infrastructure for rural areas (broadband, sewer, etc.) – both multifamily and single family
- Infrastructure plans not implemented for a decade
- Cost for existing homes and infrastructure
- Impacts ability to build affordable housing (workforce)
- Diminished confidence on economy
- Need for homeowner/rental education for younger generations
- Need education program (even at high school level) to teach home maintenance, homeowner, etc.
- Educate public on wills (issues with derelict houses/ties back to heir education)
- Address issues with credit, misdemeanors (sometimes are no longer crimes), etc. that are barriers to rental/homeownership
- Safety issues within neighborhoods that are deemed affordable
- Pandemic effects: how many more people have moved to rural regions? (ground water/erosion issues)
- Stigma on manufactured/modular housing
- Stronger investment in nonprofit community to address gaps



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